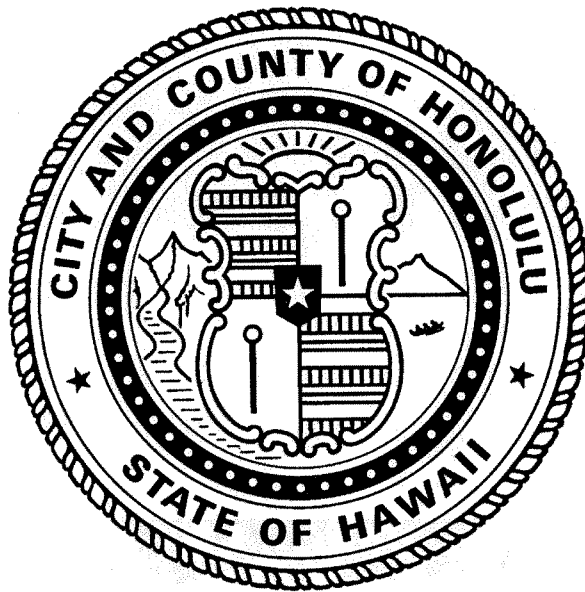


FINAL NINTH YEAR ACTION PLAN



Program Year
2003 - 2004

Prepared By
Department of Budget & Fiscal Services
City and County of Honolulu
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Presented By
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City and County of Honolulu

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I. EXECUTIVE SUMMARY

A. Introduction

The Final Ninth Year Action Plan for the City and County of Honolulu (City) represents a blueprint for the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME) and Housing Opportunities for Persons With AIDS (HOPWA) formula programs. The purpose of the Action Plan is to ensure that jurisdictions receiving federal assistance plan for the housing and related needs of low- and moderate-income families in a way that improves the availability and affordability of decent, safe and sanitary housing and a suitable living environment.

B. Housing and Homeless Needs Assessment

Figures from 2000 U.S. Census estimate Oahu's population at 876,156, which is approximately 72% of the population of the State. Although the growth rate of the general population has slowed in recent years, segments such as the elderly continue to rise rapidly and represent a significant trend. In addition, Honolulu has a pent-up demand for housing estimated at an average of 3,580 units annually for the period 1997-2006. Of this demand, the greatest needs are and will be in the low- and moderate-income households. Other sub-populations that require affordable housing are special needs groups such as frail elderly, persons with HIV/AIDS, persons with substance abuse and/or mental illness and persons with disabilities.

Honolulu has an estimated homeless population in 1999 of 1,803, however this figure rises dramatically to include 52,349 "hidden homeless" and an additional 148,321 that are "at-risk". For the one-year period starting July 1996, 8,357 homeless persons received shelter and/or services on Oahu through the contracted service providers of the State Homeless Programs Branch.

For a more detailed assessment, please refer to the Final Sixth Year Consolidated Plan.

C. Housing Market Analysis

Honolulu has one of the highest priced housing markets in the country, although recently sales prices have declined from the highs reached several years ago. Yet affordability remains low for most residents, as the slowdown in the State's economy has resulted in the City's median income not keeping up with the cost of living index. For many families, especially those with one income, affordable housing is a problem.

For a more detailed assessment, please refer to the Final Sixth Year Consolidated Plan.

D. Strategic/Action Plan

The City has allocated a total of \$29,537,296 in the following programs: \$19,436,778 in Community Development Block Grant (CDBG), \$457,312 in Emergency Shelter Grant (ESG), 9,198,880 in HOME Investment Partnerships (HOME) and \$444,326 in Housing Opportunities for Persons With AIDS (HOPWA). These funds will be distributed to 60 projects within the framework of the established priorities for housing assistance over the next year:

1. Housing Development: new construction, rehabilitation, acquisition and related infrastructure (40% of funds);
2. Rental Assistance (2% of funds in addition to the Section 8 assistance not provided by these funds);
3. Public facilities and services (43% of funds); and
4. Community development: economic development, planning, administration and other related activities (16% of funds).

II. INTRODUCTION

A. Background

Consolidated Plan regulations defined by the U.S. Department of Housing and Urban Development (HUD) require local governments which will receive federal funds to identify and describe housing and housing services needs and priorities, and to produce a strategic action plan for addressing these needs. This full document was produced in 2000 as the Final Sixth Year Consolidated Plan and is not due to be updated until 2005. It consolidates the planning and application aspects of HUD's Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME) and Housing Opportunities for Persons With AIDS (HOPWA) formula programs into a single submission. The purpose of the Consolidated Plan is to ensure that jurisdictions receiving federal assistance plan for the housing and related needs of low and moderate income families in a way that improves the availability and affordability of decent, safe and sanitary housing and a suitable living environment. The City's Plan consists of:

- A housing and homeless needs assessment;
- A housing market analysis;
- A strategic plan; and,
- An action plan for the geographic area encompassing the island of Oahu.

The Consolidated Plan permits the City to apply a unified vision to address local problems comprehensively and to propose a specific course of action to alleviate these concerns. It builds on local assets and coordinates a response to the needs of the community. It integrates economic, physical, environmental, community and human development in a comprehensive and coordinated fashion so that families and communities can work together and thrive. And lastly, the Consolidated Plan sets forth goals, objectives, and performance benchmarks for measuring progress and establishes a framework for assessing new knowledge and experience and how they can add to a successful plan for revitalization.

This document represents the City and County of Honolulu's (City) Final Ninth (9th) Year Action Plan, which is a section of the Consolidated plan, and must be updated yearly. It shows the projects that are anticipated to be funded this year that will address the needs of the community as prioritized in the Consolidated Plan.

B. Responsibility And Process

The City's Department of Budget and Fiscal Services, Federal Grants Branch, prepared the Final Action Plan, and is the agency responsible for the administration of the City's CDBG, ESG, HOME and HOPWA programs.

C. Consultation

On November 18, 2002, the City and the Housing and Community Development Corporation of the State of Hawaii held a working group consultation session with known service providers to discuss the housing and housing service needs of this community. Overviews of the Consolidated Plans for the City and State were given, including the components of the Consolidated Plan and the planning processes that would be followed. Input regarding housing needs and priorities was sought from the participants of this meeting, and in turn, the information was utilized in the development of this Plan. In addition, this Draft Plan was made available in late March 2003 to all interested parties as a way of further soliciting input and comments on the Plan in total and on specific areas of concern. Any comments or corrections concerning the Draft Plan will be incorporated into the Final Plan. This final version is being made available in early June 2003.

Organizations contacted for the November 18, 2002 consultation meeting are as follows:

- Affordable Housing and Homeless Alliance
- American Association of Retired Persons
- Angel Network Charities
- ARC in Hawaii
- BPNAS Redevelopment Commission
- Catholic Charities Community Services
- Catholic Charities Family Services

- Catholic Services to Elderly
- Central Oahu Youth Services Association
- Child and Family Service
- Commission for Persons with Disabilities, State of Hawaii
- Department of Community Services, City and County of Honolulu
- Department of Hawaiian Homelands, State of Hawaii
- Department of Health, Adult Mental Health Division, State of Hawaii
- Department of Health, Maternal & Child Health Division, State of Hawaii
- Department of Human Services, Family and Adult Services Division, State of Hawaii
- Drug Addiction Services
- EAH, Inc.
- Easter Seal Society
- Executive Office on Aging, State of Hawaii
- Fresh Start
- Gregory House Programs
- Hale Kipa, Inc.
- Hale Kipa Transitional Living Program
- Hawaii Centers for Independent Living
- Hawaii Community Development Authority, State of Hawaii
- Hawaii Community Foundation
- Hawaii Community Reinvestment Corporation
- Hawaii Housing Development Corp.
- Hawaii's Homeless Women and Children
- Homeless Solutions, Inc.
- Honolulu Habitat for Humanity
- Honolulu Neighborhood Housing Services
- Ho'omau Ke Ola
- Housing and Community Development Corporation of Hawaii, State of Hawaii
- Institute for Human Services
- John Howard Association of Hawaii
- Kahumana Residential Treatment Services
- Kalihi-Palama Health Care - Healthcare For The Homeless
- Kokua Kalihi Valley
- Legal Aid Society of Hawaii
- Legislative Reference Bureau
- Life Foundation
- Mental Health Kokua
- Mental Health Association in Hawaii
- Mental Help Hawaii – Safe Haven
- Network Enterprises Inc.
- Oahu Catholic Social Ministry
- Oahu Consolidated Family Housing
- Office of Community Services, State of Hawaii
- Office of Veteran Services, Department of Defense
- Ohana Ola O Kahumana
- Pacific Housing Assistance Corporation
- Parents and Children Together
- Partners in Care
- People Attentive to Children
- Rural Community Assistance Corporation
- Salvation Army – Alcohol
- Salvation Army – Family Services Office
- Self-Help Housing Corporation of Hawaii
- SMS Research
- Steadfast Housing Development Corporation
- US Vets

- VA Homeless
- Volunteer Legal Services
- Waianae Coast Comprehensive Health Center
- Waikiki Health Center
- Waimanalo Community Development Corporation

Below are several issues that were brought out by the participants and discussed at this meeting:

Public comments:

1. There is a need for more permanent rental housing units.
 - Many of the persons with severe mental illnesses fall into the extremely low-income category and are unable to find affordable rental housing.
 - There are families on the wait list for the first time at the IHS emergency shelter. Families in transitional housing are having a difficult time finding permanent rentals to move into. We need more permanent rental housing to help families transition from homeless shelters.
 - Housing costs have increased substantially.
 - Persons with incomes less than 30% of median income are the most difficult to assist: fewest units available to this group and the greatest need.
2. There is a need for "wrap around" supportive services.
 - The vast majority of the homeless are disabled. They are dually diagnosed as having problems with mental illness and substance abuse.
 - Youth (young adults) coming out of foster care are becoming homeless.
 - In addition to providing support services in elderly projects, services should be made available in family projects. This should include counseling for at-risk homeless persons.
 - Prevention, not just emergency, services are needed.
3. There is an upsurge and backlog for emergency and transitional housing. We need another transitional housing facility for families (30-50 units) in urban Honolulu, and another transitional shelter for chronically mentally ill persons. The Waianae Community Outreach is seeing more homeless on the beaches. These families are older (in their 30s and 40s with teenagers) and a tougher bunch to assist because of substance abuse and teen pregnancies. At IHS, there's been an increase in single women.
4. HUD should allow nonprofits to apply for more than a year allocation of Section 202 funding.
5. We need a matrix of units that are needed to address the homeless population over 5 years. Included would be persons who are difficult to place (e.g., dual diagnosis), vacant units.
6. Households with Section 8 vouchers are having a difficult time in finding rental units, as many landlords do not accept Section 8 vouchers. It appears that landlords are screen out families with bad credit (many Section 8 voucher holders have bad credit). Perhaps we should provide housing counseling to help (for) voucher holders to become better tenants.
7. 9-11 has exacerbated the housing crisis. Due to layoffs, it forced family units to stay together and now this is wearing thin. Those who were laid off have used up their resources and are now seeking assistance. Many have maxed out their unemployment benefits. Also, due to changes in welfare laws, more single parents are seeking assistance.
8. City housing programs should reinstate a preference for the homeless.
9. More funding is needed for the State Rent Supplement Program, as the list has a two and a half year wait due to funding cuts.

The City took these comments under advisement and will look into the feasibility of funding projects that address these concerns.

A Public Hearing was conducted on Thursday, December 5, 2002, to obtain the views and comments of the public with regards to the City's performance review, and housing and community development needs for the 9th Consolidated Plan Year.

Testimony included the following points:

1. There is a need to fund projects that promote homeownership, such as continued and increased support for several existing programs such as Homebuyer Education and Counseling, the Down Payment Loan Program and the Rehabilitation Loan Program. In addition, innovative homeownership programs that are successful in other cities such as Section 8 for Homeownership, Individual Development Accounts and the Officer/Fireman in the Neighborhood Program should be considered for the City and County of Honolulu.
2. There is a need for homeownership programs aimed at the "Gap" group – those that are above the income limits for assistance but unable to afford the purchase of a home.
3. There is a need for a homeownership program aimed at state residents wanting to stay in Hawaii.

The City took these comments under advisement and will look into the feasibility of funding projects that address these concerns.

In addition, the City used several City Council and Budget Committee meeting in March through June 2003 as public hearing for the budget ordinance in order to get further public input. Testimony included over 30 written submittals, as well as oral statements, all supportive of projects included in the budget ordinance.

D. Citizen Participation Plan

The Department of the Budget completed development of the City's Citizen Participation Plan in May 1995, and was approved by HUD along with the Final First Year Consolidated Plan. This plan continues to be implemented. Pursuant to this plan, a Public Notice was published in late March 2003 proposing how the City would be implementing the CDBG, ESG, HOME and HOPWA Programs. A final notice reflecting actual program plans will be published in June 2003. Copies of the City's Citizen Participation Plan are available from the Department of Budget and Fiscal Services.

III. ACTION PLAN

A. Form Application

The required Consolidated Plan tables and maps are shown in Appendix C.

B. Resources

1. Priority One: Housing Development: New Construction, Rehabilitation, Acquisition and Related Infrastructure

Available programs and services that will be utilized to achieve new construction, rehabilitation acquisition and related infrastructure include various Federal, State and local programs.

a. Federal Low Income Public Housing Program

This program covers low-rent housing units developed by designated Public Housing Authorities pursuant to the U.S. Housing Act of 1937. Funding for substantial rehabilitation, revitalization, modernization, and new construction of Federally assisted public housing projects is available through this program.

b. Section 202

This is currently the major Federal program to assist the development of permanent rental housing for the elderly. The program provides direct loan funding at regulated interest rates and rental subsidies to qualified private nonprofit entities to develop rental housing for low-income elderly and/or handicapped households. Projects may be new construction or substantial rehabilitation.

c. Section 811

This program provides capital advances to nonprofit developers of rental housing and supportive services for disabled persons. The advance is interest free and repayment is not required as long as the housing remains available for very low-income persons with disabilities for at least 40 years.

d. Supportive Housing Demonstration Program, Permanent Housing for Handicapped Homeless

This program is one of two components authorized through the Supportive Housing Demonstration Program of the Stewart B. McKinney Homeless Assistance Act. It provides interest free advances to qualified private nonprofit entities or a Public Housing Agency to cover the costs of acquisition and/or substantial rehabilitation of existing structures that will provide community based long term rental housing and appropriate supportive services for not more than eight handicapped homeless persons.

e. Homeownership for People Everywhere (HOPE IV) Program

The HOPE IV program addresses public housing demolition, site revitalization, and replacement housing. Funds are awarded on a competitive basis and are available to public housing agencies that own or operate public housing units. The program will fund demolition, the capital costs of reconstruction, rehabilitation and other physical improvements, the provision of replacement housing, management improvements, resident self-sufficiency programs and tenant-based assistance.

f. Revitalization of Severely Distressed Public Housing (HOPE VI Revitalization) Program

The HOPE VI Revitalization program addresses public housing demolition, site revitalization, and replacement housing. Funds are awarded on a competitive basis and are available to public housing agencies that own or operate public housing units. The program will fund demolition, substantial rehabilitation, reconfiguration and/or replacement of severely distressed units, revitalization of the site, provision of replacement housing, management improvements, resident self-sufficiency programs, provision of tenant-based assistance and assistance to tenants displaced by demolition. HCDCH is applying for HOPE VI funds for the revitalization of public housing projects on Oahu, particularly in the Kalihi area.

g. Federal Low Income Housing Tax Credits Program

This program is authorized through the Tax Reform Act of 1986 and is administered through the State Housing Finance and Development Corporation. The tax credit program was re-authorized by the U.S. Congress in August 1993, retroactive to July 10, 1993. The program makes available tax credits for units rented to low-income occupants. The Federal government allocates approximately \$1.25 per capita per year in these tax credits. To earn tax credits, at least 20% of the units in a project must be rented to households earning incomes of 50% or less of the area median income, or at least 40% of the units must be rented to households with incomes of 60% or less of the area median income.

h. State Low Income Housing Tax Credits Program

The State of Hawaii established a program similar to the Federal low-income housing tax credits program to provide State tax incentives to developers of affordable rental housing projects. However, the program is presently suspended pending its re-authorization by the State Legislature. This program allocates State tax credits equivalent to 30% of the federal credit.

i. Tax-Exempt Multi-Family Bond Program

Both the State and City administer tax-exempt multi-family bond programs to assist private owner/developers of rental housing projects. The program provides interim and permanent financing at below market interest rates through the issuance of tax-exempt revenue bonds. To be eligible, developers must set aside in their rental projects either a minimum of 20% of the units for tenants whose incomes are less than 50% of the area median income, or a minimum of 40% of the units for tenants whose incomes are less than 60% of the area median income. The developer/owner of an assisted project must keep the project in compliance with these requirements for the term of the loan.

j. State Rental Housing Trust Fund

Authorized by Act 308, Session Laws of Hawaii 1992, the Rental Housing Trust Fund is intended to act as a flexible financing mechanism which encourages the production of new affordable rental units and increases the capacity of organizations to meet future housing production needs. The trust fund provides loans or grants to nonprofit entities and government agencies, and loans only to for-profit developers for planning and design, construction, land acquisition, pre-development studies and other activities relating to affordable housing development. At least 50% of the residents of a supported housing development must earn less than 60% of median income, and the remainder less than 100% of median income. In addition, a more recent requirement calls for 10% of all of the units to be occupied by persons earning less than 30% of median income.

k. Federal Community Development Block Grant (CDBG) Program

This program provides a block grant to the City that can be used for a wide variety of community development activities including new construction, rehabilitation, acquisition and related infrastructure as long as there is a direct benefit to persons of low- and moderate-income.

I. Federal HOME Investment Partnerships (HOME) Program

HOME Program funds may be used for activities such as new construction, rehabilitation, acquisition and related infrastructure to create permanent housing for qualifying households. The required match funding will be fulfilled on a project-by-project basis.

m. Federal Emergency Shelter Grants (ESG) Program

This program can be used to provide new construction, rehabilitation, acquisition and related infrastructure assistance to assist the homeless by improving living conditions at existing shelters or developing new shelters. CDBG funds will be used to satisfy the required one-for-one match.

n. Section 8 Administration Fund Reserves

Section 8 Administration Funds may be used for activities such as new construction, rehabilitation, acquisition and related infrastructure as long as there is a direct benefit to persons of low- and moderate-income.

o. State and City Capital Improvements Programs (CIP)

State and City CIPs, use various combinations of money from various Federal, State, County and private funding sources, such as the Federal CDBG Program. Through their respective CIP budgets, the State and City have appropriated monies to finance the development and redevelopment of Federal- and State-sponsored low-rent public housing projects, affordable rental housing project in planned communities and areas targeted for urban revitalization, and the infrastructure to support both rental and owner occupied housing units in planned communities and areas targeted for urban revitalization.

p. Rehabilitation Loan Programs

The City administers a loan program to assist both low-income homeowners and landlords whose tenants are of low-income in rehabilitating their properties. Rehabilitation must be for purposes of removing health and safety hazards. The nonprofit Neighborhood Housing Services administers a similar neighborhood based rehabilitation loan program in the Liliha/Kapalama area.

q. Downpayment Loan Program

The City administers a loan program to assist potential low-income homeowners by providing low-interest loans to cover the downpayment of a home purchase. This program is funded by the federal HOME Investment Partnerships program.

r. Affordable Housing Conditions Attached To Private Developments

In order to ensure that private housing developments contain a variety of housing units affordable to a range of income groups, the State and City have required private developers to develop a percentage of affordable rental and/or owner occupied housing units as a condition of receiving land use or other development approvals.

s. Expedited Development Of Affordable Housing Pursuant To Chapter 201G, Hawaii Revised Statutes

Existing State statutes authorize the State and Counties to bypass many of the regulatory impediments to affordable housing development. Pursuant to Chapter 201G, the State and Counties can preempt various regulations and standards under a 45 day approvals process to support the development of affordable housing projects, where a certain percentage of the units in the projects are determined to be affordable for sale or rent to target income groups, and where the requested exemptions do not contravene public health and safety standards.

t. Self-Help Housing Programs

Undertaken primarily by nonprofit entities, these programs take advantage of donated land, materials and skilled labor and the sweat equity of prospective homeowners to construct owner occupied units affordable to even low and very low-income households. State law requires that 10% of the units in State sponsored housing developments be set aside for owner-builders.

u. Section 8 Moderate Rehabilitation Program

The purpose of HUD's Moderate Rehabilitation Program is to upgrade substandard rental housing and to provide rental subsidies for low-income families. The City and County of Honolulu has been administering the Section 8 Moderate Rehabilitation Program since 1980 and currently provides rental subsidies to the 40-unit Academy Gardens Apartment for disabled and elderly persons.

v. HOPE For Homeownership Of Single Family Homes

This national program offers homeownership opportunities to lower income families and individuals by providing Federal assistance to finance an eligible homebuyer's direct purchase and rehabilitation of eligible single-family properties. The program funds may also be used for the acquisition and rehabilitation of single-family properties for sale and occupancy by families at affordable prices.

w. HOPE For Homeownership Of Multifamily Units

This program empowers low income families to become homeowners by providing planning and implementation grants to organizations that will help families purchase and maintain units in multifamily projects that are owned by the government, are FHA distressed, or are subject to mortgages that are insured by HUD.

x. Homeownership And Opportunity For People Everywhere (HOPE)

HOPE grants for public and Indian housing come in two forms - planning grants and implementation grants. Planning grants fund the necessary preliminary activities leading to homeownership. Implementation grants provide for the actual conveyance of property.

2. Priority Two: Rental Assistance

Programs and services available to achieve rental assistance priorities include State and local programs.

a. Federal Housing Opportunities For Persons With AIDS (HOPWA) Program

This program provides housing assistance and related supportive services for low-income persons with HIV/AIDS and their families. Grants are provided: (1) by formula allocations to States and metropolitan areas with the largest number of cases and incidence of AIDS; and (2) by competitive selection of projects proposed by State and local governments and nonprofit organizations. Grantees are encouraged to develop community-wide comprehensive strategies and to form partnerships with area nonprofit organizations to provide housing assistance and related services for eligible persons.

b. Section 8 Rental Assistance Program

The State and City administer the Section 8 tenant- based Certificate, Voucher and new Housing Choice Voucher Programs which provide rental subsidies to income qualified low income families. The City administers a total allocation of 3,854 certificates vouchers through its Section 8 Program. The State's Section 8 Program allocation includes 2,019 certificates and vouchers, which are set-aside for clients residing on Oahu.

c. State Rent Supplement Program

HCDCH also administers the Rent Supplement Program. Subject to funding availability, HCDCH has assisted an average of 700 participants annually in this program statewide with a maximum subsidy of \$160 per month.

d. Shelter Plus Care

Provides rental assistance for homeless people with disabilities, primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) and related diseases. The support services, which must match the value of the rental assistance, are provided may be provided by Federal, State, local governments, and private sources.

3. Priority Three: Public Facilities And Services

Available programs and services that will be utilized to achieve priorities for public facilities and services include various Federal, State and local programs.

a. Stewart B, McKinley Homeless Assistance Act

The McKinney Act authorized several programs intended to assist the development of facilities and provision of supportive services to the homeless. The Emergency Shelter Grants Program is primarily intended to support the rehabilitation of structures to create emergency shelters for the homeless, but does allow a small portion of grant funds to be spent on supportive services. Under the 1999 Continuum of Care Homeless Assistance Program competitive grant there are three categories: Supportive Housing Program (SHP), Shelter Plus Care Program (S+C) and Moderate Rehabilitation for Single Room Occupancy Dwellings Program (SRO). The Transitional Housing Program element of the Supportive Housing Program provides rehabilitation funding to create transitional shelters for the homeless, as well as operating funds for supportive services program. The Supplemental Assistance For Facilities To Assist The Homeless Program covers costs in excess of the assistance provided under the Emergency Shelter Grants Program or Supportive Housing Program required to meet the special needs of homeless families with children, elderly homeless individuals or the handicapped or facilitate the transfer and use of public buildings to assist homeless individuals and families.

b. Federal Community Development Block Grant (CDBG) Program

This program provides a block grant to the City that can be used for a wide variety of community development activities including public facilities and services as long as there is a direct benefit to persons of low- and moderate-income.

c. Federal HOME Investment Partnerships (HOME) Program

The development, acquisition and rehabilitation of buildings for use as transitional housing developments is an eligible activity under the HOME Program. The required match funding will be fulfilled on a project-by-project basis.

d. Federal Emergency Shelter Grants (ESG) Program

This program can be used to provide moderate rehabilitation assistance to improve living conditions at existing shelters or to rehabilitate existing structures to create new shelters. Provision of essential services to the homeless is also an eligible activity. CDBG funds will be used to satisfy the required one-for-one match.

e. State and City Capital Improvement Programs

These programs, utilizing a combination of Federal, State and County funds, have appropriated monies to finance the development of public facilities and services.

f. State Purchase Of Services Program

There exists an extensive network of private nonprofit social service agencies that administer supportive services to special need groups. The State, through the Purchase of Services process, has provided operating funds to qualified agencies to administer their supportive service programs.

g. Homeless Shelter Stipend Program

The Housing and Community Development Corporation of Hawaii administers this program that pays private nonprofit operators of homeless shelters a fee, based on a per capita formula, to subsidize the operating costs of the shelters. Shelter operators, in return, are required to provide a specified minimum level of supportive services to their clients. In 1995, the stipend program assisted by providing services to 1,699 clients in transitional shelters, and 3,518 emergency shelter clients on Oahu.

h. Homeless Emergency Loan/Grant Program

This program, also administered by the Housing and Community Development Corporation of Hawaii, provides funds to supplement the private resources in private loan/grant programs currently operated by qualified nonprofit agencies. The State funds are used by the nonprofit to provide one-time emergency loans or grants to two types of families with children, a) per-homeless families who may be in danger of losing their residences and becoming homeless because of a one-time financial emergency and b) families who are homeless and require one-time financial assistance to pay for first and last months' rent in order to move into an apartment. In 1995, \$71,430 was expended on Oahu through this program.

i. Homeless Outreach Program

Through this program, the Housing and Community Development Corporation of Hawaii contracts with private operators to reach out to unsheltered homeless families with children to give them emergency medical and social services and assist them in obtaining residence in transitional facilities or permanent housing. The Homeless Outreach Program assisted 5,479 persons in 1995 on Oahu.

j. Federal Housing Opportunities For Persons With AIDS (HOPWA) Program

This program provides housing assistance and related supportive services for low-income persons with HIV/AIDS and their families. Grants are provided: (1) by formula allocations to States and metropolitan areas with the largest number of cases and incidence of AIDS; and (2) by competitive selection of projects proposed by State and local governments and nonprofit organizations. Grantees are encouraged to develop community-wide comprehensive strategies and to form partnerships with area nonprofit organizations to provide housing assistance and related services for eligible persons.

k. Youthbuild

The program utilizes HUD funds to train/educate dropout youth and provides opportunities to enter the local trade unions or the construction industry. As part of the training program, the youth must rehabilitate and/or construct homeless or low and moderate-income housing.

l. Family Investment Center

To encourage independence and self-sufficiency, in March 1997, the HCDCH opened the Family Investment Center, a facility that provides families living in public housing with greater access to education and employment opportunities. Families living in seven targeted public housing projects (Banyan Street Manor, Hookipa Kahaluu, Koolau Village, Nanakuli Homes, Palolo Home, Wahiawa Terrace and Waimanalo) now have the opportunity to receive training in job readiness and job skills, leadership, entrepreneurship, homeownership and basic computer skills. The Family Investment Center will serve as an entry point to give residents in public housing the tools to meet the challenges brought about by welfare reform. Since the opening of the Family Investment Center, it has been successful in conducting ongoing classes for residents in basic mathematics, English and GED classes as well as participation in a Home Helper training class. Residents also have the opportunity to attend basic computer classes as well as economic development training to assist in self-sufficiency. The center held its first graduation for participating residents who successfully completed their training classes and a total of 40 residents received certificates.

m. Resident Opportunity and Self Sufficiency Program (ROSS)

These programs utilize HUD funds to address the needs of public housing residents by providing supportive services that will enable the linking of essential services to public housing residents, provide resident empowerment activities and assistance in becoming economically self-sufficient, provide resources to enhance independent living for the elderly and persons with disabilities, provide capacity building for resident organizations, and improve the overall quality of life for public housing residents. HCDCH plans to apply for ROSS funds for supportive services for Mayor Wright Homes and for ROSS Neighborhood Network funds for a computer training center at Kuhio Park Terrace and Kuhio Homes.

4. Priority Four: Community Development: Economic Development, Planning, Administration And Other Related Activities

There are also limited funds available to support economic development, planning, administration and other related activities. Where possible and appropriate, CDBG funds will be leveraged with private, City and State funds to support this Priority.

Two areas have been designated by HUD as Neighborhood Revitalization Strategy Areas: Kahuku and Kalihi-Palama-Chinatown, and another is under consideration: Waipahu. With this designation, qualified Community Based Development Organizations (CBDO) are given more flexibility in using CDBG funds to improve these areas.

C. Activities To Be Undertaken

Priority One: Housing Development: New Construction, Rehabilitation, Acquisition and Related Infrastructure

New Construction

Funding of \$750,000 (HOME funds) is being allocated to an affordable senior rental project in Kapolei and \$6,000,000 (HOME funds) for development of the Transitional Residential Shelter. In addition, up to \$600,000 (HOME funds) could be used by qualified developers of low- and moderate-income housing in the Community Housing Development Organization (CHDO Set-Aside) project, and up to \$1,864,648 (HOME funds) in the Housing Partnerships Program for new construction of affordable housing.

The City will support the State's efforts to revitalize the severely distressed Kuhio Park Terrace public housing project located in Kalihi, as it is integral to the City's broader community development and visioning efforts in the Kalihi-Palama

Rehabilitation

Funding of \$100,000 (HOME – CHDO Set-Aside funds) is being allocated for a renovation project at the Hauiki Homes and \$250,000 (CDBG funds) for renovation of the Kulana Nani Apartment building. In addition, up to \$600,000 (HOME funds) could be used by qualified developers of low- and moderate-income housing in the Community Housing Development Organization (CHDO Set-Aside) project, and up to \$1,864,648 (HOME funds) in the Housing Partnerships Program for rehabilitation of affordable housing.

Acquisition

Funding of \$500,000 (HOME funds) is being allocated to replenish the Downpayment Loan Program. In addition, up to \$600,000 (HOME funds) could be used by qualified developers of low- and moderate-income housing in the Community Housing Development Organization (CHDO Set-Aside) project, and up to \$1,864,648 (HOME funds) in the Housing Partnerships Program for acquisition of suitable properties.

Priority Two: Rental Assistance

The City will maintain approximately the current level of Section 8 vouchers to provide rent subsidies for very low-income households. In addition, the City was successful in obtaining additional rental assistance slots through the Continuum of Care competitive grant. The City will apply for new allocations of Section 8 vouchers, pending availability by HUD and eligibility of the City. The City will also apply for new Shelter Plus Care slots if a non-profit sponsor applies for Continuum of Care funds. In addition, \$444,326 of HOPWA will be available for rental assistance to those that qualify for this program.

Priority Three: Public Facilities And Services

Public Facilities

Investment of approximately \$10,118,466 (CDBG funds) for twenty-three public facilities projects that will serve predominately low- and moderate-income neighborhoods or persons. In addition, up to \$914,362 in the Emergency Shelter Grant program could be used for public facilities that assist those with emergency or transitional shelter needs.

Public Services

Investment of approximately \$2,544,763 (CDBG funds) for eighteen public service projects to assist low- and moderate-income persons through youth programs, education and job training, supportive services and programs which service transportation needs. In addition, up to \$914,362 could be made available in the Emergency Shelter Grants program and program match for supportive services for homeless housing activities.

The City will support the efforts of resident groups, non-profits and HCDCH to improve the quality of life for public housing residents through programs that enhance independent living for elderly and persons with disabilities, that link residents to essential services, and that provide residents with assistance in becoming economically self-sufficient and empowerment activities.

Priority Four: Community Development: Economic Development, Planning, Administration And Other Related Activities

Economic Development

Investment of approximately \$2,100,000 in CDBG funds for three projects that will assist low –and moderate-income microenterprises or create jobs for predominanatly low- and moderate-income persons.

Planning

No planning projects are budgeted this year.

Program Administration

Investment of approximately \$2,015,100 in CDBG and HOME funds for six projects that enable the City to administer the various HUD programs in a timely and efficient manner.

Other Related Activities

Funding of \$500,000 will be used to address the urgent needs of Lake Wilson, where weed infestation threatens the health and safety of the neighboring community.

D. Geographic Distribution

Refer to Appendix C.

E. Homeless And Other Special Needs

Funding of \$1,186,162 in CDBG and ESG funds, or over 4% of the City's total 9th Year Action Plan grant funds are targeted for emergency shelter and homeless social services. The Emergency Shelter Grants Match, along with ESG funds will be used for projects by the City in an attempt to break the cycle of homelessness through expanded services and additional shelters.

Approximately \$9,582,000 in CDBG and HOME funds, or over 37% of the City's total 9th Year Action Plan grant funds are targeted for the development of lower income and special needs rental housing. While it is not possible to provide a direct link between these activities and the attempt to prevent homelessness, it can be assumed that, especially in the low income and special needs housing target population, many face the possibility of homelessness due to the lack of affordable units or housing with appropriate supportive services. Any increase or additions to the existing housing stock serving this population serves to prevent homelessness.

F. Program Specific Requirements

1. CDBG

All anticipated CDBG program income expected to be made available during this program year has been included and is reflected in the total amount of CDBG funds in the 9th Year Consolidated Plan.

2. HOME

No form of investment not described in Section 92.205(b) is anticipated to be utilized by the City.

G. Certifications

Refer to Appendix D.

H. Monitoring

Under the auspices of the Department of Budget and Fiscal Services, the Federal Grants staff administers the CDBG, ESG, HOPWA and HOME programs from a broad policy perspective. The City's ESG, HOPWA and HOME programs are administered in accordance with the City's CDBG Policy and Procedures Manual (Approved by HUD in 1985). Throughout all aspects of the administration of these programs, the Budget staff reviews and monitors the City's Departments' compliance with specific program regulations as well as other overlay statutes and Executive Orders (i.e., National Environmental Protection Act, Fair Labor Standards Act, Uniform Relocation and Real Property Acquisition Act, Fair Housing Act of 1989, as amended, and the Rehabilitation Act of 1973, as amended, etc.) as prescribed in HUD Handbook 6509.2. On an on-going basis, eligibility determinations, technical assistance and guidance are provided to each City department implementing a project under these programs. City departments administering projects under these programs are responsible for the project's compliance with all program regulations.

CDBG, ESG and HOME programs' minority (inclusive of women's business enterprises) outreach to businesses is accomplished through the City's Department of Budget and Fiscal Services (Purchasing Division) by providing the General Contractor's Association (GCA) with a copy of all bid advertisements. 51% of the membership of the GCA is minorities whose minority status has been determined by the State of Hawaii, Department of Transportation (DOT). DOT minority/disadvantaged determinations are based on the Federal Transit Administration regulations.

Under the HOME program, the City's Department of Budget and Fiscal Services (Federal Grants Branch) annually publishes a notice in a newspaper (of daily general circulation) inviting minority and women's business enterprises to register to participate in the HOME program. The department subsequently informs registered minority and women's businesses of contract or subcontract opportunities and of vendor and/or supplier opportunities for goods and services under the HOME program.

The City Fair Housing Officer reviews and approves all Affirmative Fair Housing Marketing Plans to ensure the process for minority outreach is effective. The Federal Grants staff also monitors Federal legislation to identify regulatory changes affecting CDBG, ESG, HOPWA and HOME programs to ensure the timely implementation (including program cost analyses) of such changes.

In addition, starting in 2000 the Department of Budget and Fiscal Services implemented its Post-Development Monitoring Plan that formally monitors subrecipient contracts to insure long-term compliance. This includes on-site inspections and meetings on at least an annual basis of all agencies that have open subrecipient contracts and have received CDBG, ESG, HOPWA or HOME funds through the City.

Standards and procedures have been developed and adopted, based on HUD guidelines already in use. Worksheets used as part of the information-gathering interview process with the subrecipient, along with the required annual audit, are used to flag potential problems and issues that need to be resolved. More frequent monitoring will be undertaken where there is sufficient cause to justify additional action.